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DEPARTMENT OF NATURAL RESOURCES  
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November 7, 1990

TO: Minerals File

FROM: Holland Shepherd, Reclamation Specialist *HOS*

RE: Site Inspection, White Cap #8, Gypsum Resource Development Company,  
S/015/047, Emery County, Utah

Date of Inspection: November 7, 1990  
Time of Inspection: 9:00 a.m. - 12:00 a.m.  
Attendees: David Varga, Jim Aeriote, Gypsum Resource Development Inc.; Holland Shepherd, DOGM

I visited the Gypsum Resource Development Company's (GRD) White Cap mine which has just been initiated in the San Rafael Swell area. The operator, GRD, is currently developing a mine site and mill in Emery County. GRD is owned by Cannon Industries of Utah. The operator currently has a Small Mine Operators permit for the site that is being developed. The operator is also developing a mill site in Huntington, Utah. The mill site encompasses about 10 acres of land. There are new buildings being constructed as the mill property is being developed currently. The mine property is on BLM land, the mill property is on private ground, owned by Gypsum Resource Development Incorporated.

The status of the mining operation is small mine operator right now. The plan is to increase the operation in size in the near future so that the operation will become a large mine. At the moment, the operator has not definitely decided to go ahead with the large mining, so the operation will maintain the small operators status for the next month or two months. The operation does only disturb less than 5 acres currently. The operation is active. Gypsum ore is being mined at the site and transported by haul truck to the mill site in Huntington. The operator has developed a small pit on site and has started an exploration drilling project around the pit, to develop a better idea of the ore body. Currently, the operator is in negotiation with the Bureau of Land Management in addressing the requirements for a Plan of Operation, or a Large Mining Operation. Today's visit was to give the operator an idea of what

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requirements would be made by the state and the BLM, on the operator, in developing this site into a large mine.

Based on my conversation with Mr. Varga, the reserves at this site are quite extensive. So if the mine is developed further, it will develop into a very large mine. The size of the mine may develop into a 30 - 40 acre site within the next 5 years if plans are carried through in developing the site further. The operator's plan is to develop the site further towards the southwest end of the current disturbance. The pit will be enlarged and as the operator proceeds, contemporaneous reclamation will take place. The operator did discuss the idea of leaving behind a highwall at the end of mine life. It is uncertain, at this time, how deep the pit or how high the highwall will be at the end of the operations life.

Mr. Varga indicated to me that Emery County has asked for, and has received, a \$100,000 bond from Gypsum Resource Development Incorporated. This bond is to cover reclamation costs at the mine site itself, and any type of reclamation or maintenance costs to the county roads that the operator will be using to haul ore from the mine site to Huntington. The \$100,000 bond may cover the requirements of the Division and the BLM for surety on this operation. I indicated to Mr. Varga that the Division will go ahead and do a surety estimate, as will the BLM and compare our figures with that of what the County carries for the operator. If that amount is less than \$100,000, then the Division will not ask for any further bonding. However, the Division will ask for a reclamation contract to be made out between the Division of Oil, Gas and Mining and Gypsum Resource Development Incorporated.

I stressed the importance of topsoil stripping and stockpiling onsite. The operator has done some topsoil stripping already, but the topsoil has been randomly piled at various locations on the existing site. I asked Mr. Varga to consolidate the topsoil material and place it in one spot on the site that wasn't going to be redisturbed, and also to ensure its stability and to post a sign on it so that it wouldn't be redisturbed later on. I also stressed the importance of salvaging as much topsoil material as possible before disturbing areas on the site. I asked that the operator attempt to strip 6 - 12 inches of topsoil material as the operation progressed.

There will be no water development on this site, as there will be no discharge of any produced water. The only concern having to do with water on this site, is the fact that a water line runs across the site which feeds a rancher's cattle watering trough, located just off the site on the southeastern downhill portion. The operator has already cut into this water line and repaired it once.



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Other concerns at the site presently, have to do with impact of archeological sites and impacting a threatened and endangered plant species which may be found on portions of the site. An archeological inventory has not yet been made of this site, nor has an inventory been performed to determine whether or not this endangered cactus species may be found on areas the operator plans to mine.

The operator does plan to contemporaneously reclaim portions of the site as mining progresses. I explained to the operator that areas that are reclaimed cannot be immediately released in total. They can be partially released for the dirt work that was performed, but the revegetation will remain until a minimum of a three-year period.

Apparently, the BLM has requested that the operator think about salvaging cryptogamic soils on the site, segregating the first 2 - 3 inches of topsoil scraped off portions of the site where cryptogamic soils exist and saving that for later application on areas that are to be contemporaneously reclaimed. I explained to Mr. Varga that this practice may not be effective in regenerating cryptogamic soils. However, I asked him to look into the setting up of test plots using this technique to see if it would be appropriate for application of this site. This is something that the operator and the BLM will have to work out between themselves.

The operation is located in a fairly sensitive area, according to the BLM. It is just off a main road that takes tourists to the Wedge Overlook, part of the San Rafael Swell scenic area. It is also just a mile or so away from the main county road that takes tourists through the San Rafael Swell across Buckhorn Flats and then down through Buckhorn Canyon. The County and the BLM are concerned about haul trucks using the same roads as tourists do, during the high tourist times of the year.

More definite direction from the operator should be known within the next couple of months, having to do with whether or not this operation will continue as a small mine or change to a large mining status.

jb

cc: James Dryden, BLM, San Rafael RA  
David Varga, GRD  
Wayne Hedberg, DOGM  
MNS015047





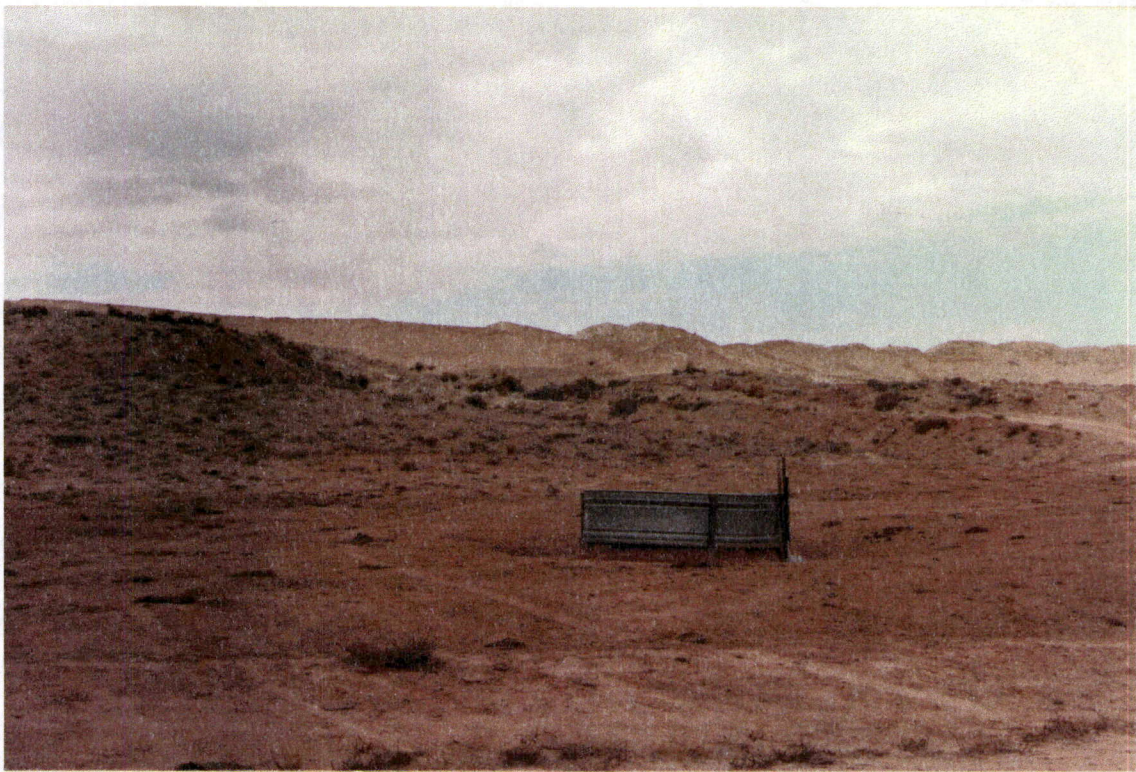


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Whale Cap Mtn

View of site looking south ~~to~~ towards

Wedge Overlook.







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Crypto-Genic soils found on site

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View of site looking West.

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Large trough of water found on site